

SENATE BILL REPORT

HB 2349

As Reported by Senate Committee On:
Ways & Means, April 22, 2009

Title: An act relating to disproportionate share hospital adjustments.

Brief Description: Concerning disproportionate share hospital adjustments.

Sponsors: Representative Cody.

Brief History: Passed House: 4/20/09, 98-0.

Committee Activity: Ways & Means: 4/22/09 [DP, DNP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hewitt, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Parlette, Pflug, Pridemore, Regala and Rockefeller.

Minority Report: Do not pass.

Signed by Senators Honeyford and Schoesler.

Staff: Elaine Deschamps (786-7441)

Background: Under the Medicaid Disproportionate Share Hospital (DSH) program, the federal government provides grants to states to make supplemental Medicaid payments to hospitals that provide uncompensated care to Washington residents. The Department of Social and Health Services (DSHS) administers five separate DSH programs that provide grants to hospitals for the provision of inpatient services: Low Income, Small Rural and Non-Rural Indigent Assistance, Small Rural, General Assistance-Unemployable, and Public Hospital DSH. The Low Income DSH program is the only one that is required by federal law.

The federal DSH grants must be matched roughly 50/50 with state dollars, and states have an upper limit on how much federal Medicaid funds can be spent on DSH payments. Under current state law, DSHS must consider the following components in its provision of DSH payments: a hospital's Medicaid utilization rate, its low-income utilization rate, its provision

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of obstetric services, services to persons who are medically indigent, and services to the medically indigent for hospitals that do not qualify for federal payments.

Summary of Bill: The provision of DSH payments is limited to the extent that funds are appropriated specifically for this purpose and are subject to any conditions placed on those appropriations.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: None.

Persons Testifying: No One.